

**AGENDA:** December 7, 2004

**8.1**

**CATEGORY:** Item Initiated by Council

**DEPT.:** City Council

**TITLE:** Campaign Conflict of Interest Disclosure

### **RECOMMENDATION**

Ask the Council Procedures Committee for a recommendation on whether and how to require public disclosure and disqualification by City Councilmembers who receive significant campaign assistance from public contractors and employee unions.

**FISCAL IMPACT** – None.

### **BACKGROUND AND ANALYSIS**

During the discussions on campaign finance reform, one Councilmember raised the question of volunteers, particularly those organized by a special interest group. At the time, we did not know how to address First Amendment concerns.

Nevertheless, there is a substantial opportunity for undue influence. When a group organizes 20 volunteers for a candidate, there is little doubt that that is a very significant contribution to the campaign, and one which the candidate will remember.

The danger comes when those volunteers are organized by a group which stands to financially benefit from the City's actions. For example, during recent interviews, SEIU has asked whether candidates would later support binding arbitration, contracting out, prevailing wage and other issues. Each of these is of significant financial interest to union members.

In effect, candidates were asked to commit City funds to the union in order to get union volunteers to distribute literature. In other cities, similar problems have happened with employers who "request" employees donate or volunteer for a candidate.

The question is how to preserve individuals' rights to speak politically but limit the potential for a quid pro quo.

### **PROPOSAL**

One possible solution is for Councilmembers to disqualify themselves when voting on items of financial interest to their supporters. Contractors and unions could still support John Smith

because he is a great guy. John just would not be able to use that influence to get them a better contract.

### **POSSIBLE IMPLEMENTATION DETAILS**

To make this work, we could require some amount of disclosure when a candidate receives direct assistance from a group which has received City contracts in the past. To make this workable, the City Clerk would prepare a list of City unions and major City contractors.

The candidates would then be responsible for asking their volunteers whether they work for any employer or union on the list. This would then be reported, without individual names, on the City's web site. Direct assistance, such as the provision of a phone bank, would also be reported on the same form.

In addition, the candidate would be required to disqualify himself from participation in the next contract with that organization, unless there is a second election in the interim.

### **FIRST AMENDMENT CONCERNS**

Nothing in this proposal prevents any individual, or group, from volunteering to help their preferred candidate. Coworkers at the City and City contractors could still walk precincts and be as politically active as they desire.

The only difference is that there would no longer be a quid pro quo. The Councilmember could no longer act to direct City resources to the financial benefit of these volunteers.

### **PUBLIC NOTICING** – Agenda posting.

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